



PLMA PRESS ADVISORY

CONTACT: Dane Twining
Director, Public Relations
Telephone: (212) 972-3131
Fax: (212) 983-1382
email: dtwining@plma.com

Why Are Shoppers Buying More Store Brands? They Can Save 33%, New Price Study Shows

NEW YORK — A new study of comparative prices on a wide range of everyday supermarket purchases demonstrates why more shoppers than ever before are steering past the national brands and reaching for the retailer's brand instead.

Over a six week period, the study revealed that shoppers on average could save 33.3% off their grocery bill by filling their market baskets with the store brand versions of 40 essential household items and pantry staples.

The research, conducted by the Private Label Manufacturers Association, tracked the pricing for typical grocery items at a conventional supermarket. Included in the survey were spring cleaning items like glass cleaner, paper towels and pine oil disinfectant, as well as two dozen pantry staples like corn flakes, pasta sauce and carbonated beverages, and personal necessities like mouthwash and facial tissue.

The study results indicate that consumers who choose the retailer's brand for products on the list rather than the national brand could save \$42.30 (a savings of 33.3%) on average on their total market basket. When buying the national brands the 40-item purchase came to \$127.03 on average over six separate trips, while the same purchases for the retailer's brands cost \$84.73. The survey took place over a six week period in a suburban supermarket located in the northeast.

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For every category in the study, a leading national brand product was compared to a similar store brand product and prices were adjusted to account for all known discounts, coupons and promotions available for each of the six shopping visits in the study.

Among individual food items the cost savings ranged as high as 46.8% on carbonated beverages, 45% on ice cream, 43.5% on hot dog buns, and 40% on pasta sauce. Savings in many non-foods categories were even greater, led by aspirin (the store brand version cost 60.6% less on average), pine-oil cleaner (57.3% less), body lotion (53.5% less) and facial tissue (50% less).

Typical Store Brand vs. National Brand Market Basket Comparison

FOOD ITEMS	National Brand Unit Price	Store Brand Unit Price
American cheese	\$4.29	\$2.79
Bagged Salad	\$2.63	\$2.76
BBQ Sauce	\$1.50	\$1.21
Bottled Water	\$5.66	\$3.97
Canned Corn	\$1.13	\$0.75
Carbonated Beverage	\$1.61	\$0.86
Corn Flakes	\$3.79	\$2.64
Grape Jelly	\$2.19	\$1.59
Hamburger Pickles	\$2.19	\$2.19
Hot Dog Buns	\$2.99	\$1.69
Hot Dogs	\$3.89	\$2.49
Ice Cream	\$4.66	\$2.56
Iced Tea Mix	\$3.79	\$2.63
Ketchup	\$1.69	\$1.29
Mustard	\$1.91	\$1.61
Onion Dip	\$2.29	\$1.50
Packaged Macaroni & Cheese	\$1.00	\$0.68
Pasta Sauce	\$2.50	\$1.50
Peanut Butter	\$2.66	\$2.02
Potato Chips	\$3.82	\$2.42
Refrigerated Orange Juice	\$3.38	\$2.59
Salad dressing	\$2.76	\$1.92
Soda Crackers	\$2.53	\$1.74
Spaghetti Noodles	\$1.30	\$0.91

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NON FOOD ITEMS	National Brand Unit Price	Store Brand Unit Price
Adhesive Bandages	\$2.50	\$2.31
Aluminum Foil	\$4.25	\$2.50
Aspirin	\$5.69	\$2.24
Body Lotion	\$9.66	\$4.49
Charcoal	\$5.99	\$4.99
Disinfecting Wipe	\$3.65	\$2.29
Facial Tissue	\$2.00	\$1.00
Glass Cleaner	\$2.50	\$2.00
Lighter Fluid	\$3.49	\$2.99
Mouthwash	\$4.99	\$3.00
Paper Napkins	\$2.29	\$1.79
Paper Plates	\$3.19	\$2.29
Paper Towels	\$2.19	\$1.49
Pine Cleaner	\$4.19	\$1.79
Toilet Bowl Cleaner	\$3.29	\$2.50
Toilet Paper	\$1.00	\$0.75
AVG MARKET BASKET TOTAL	\$127.03	\$84.73

Prices shown are averages based on weekly shopping trips conducted over a 6-week period from 2/12-3/19. All prices are net after known discounts, coupons and/or promotions.

Average savings of a full one-third off their regular grocery purchases can help explain why shoppers are choosing the retailer's brands for roughly one of every four products they buy in the supermarket. Data from The Nielsen Company show that annual sales of private label products grew by more than \$18 billion over the most recent 5-year period and unit market share for private label in U.S. supermarkets is now 23.5%.

The Private Label Manufacturers Association is the industry trade association devoted exclusively to store brands. Founded in 1979, PLMA today represents over 3,000 companies who are involved in the manufacture and distribution of store brand products. The products supplied by PLMA members include food, beverages, snacks, health and beauty aids, over-the-counter drugs, household cleaners and chemicals, outdoor and leisure products, auto aftercare and general merchandise.

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For information about store brands and to arrange an interview with Brian Sharoff, President, PLMA, contact Dane Twining, Director of Public Relations, at (212) 972-3131.